

**CITY OF RICHFIELD, MINNESOTA**

**MONDAY, OCTOBER 20, 2014**

**RICHFIELD MUNICIPAL CENTER  
6700 PORTLAND AVENUE**

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**SPECIAL CONCURRENT CITY COUNCIL AND  
HOUSING AND REDEVELOPMENT AUTHORITY WORKSESSION**

**BARTHOLOMEW ROOM**

**6:00 P.M.**

**AGENDA**

Call to order

1. Discussion regarding a 7600 Pillsbury/Pleasant development proposal  
(Council Memo No. 96/HRA Memo No. 41)

Notes: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Adjournment

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**REGULAR HOUSING AND REDEVELOPMENT AUTHORITY MEETING**

**COUNCIL CHAMBERS**

**7:00 P.M.**

**AGENDA**

Call to order

1. Approval of the minutes of the (1) Special Concurrent HRA and City Council Worksession of September 15, 2014 and (2) Regular HRA Meeting of September 15, 2014
2. HRA approval of the agenda
3. Presentation regarding the Housing Marketing Plan
4. Presentation regarding the 30-year anniversary of the Richfield Deferred Loan Program
5. **Consent Calendar contains several separate items which are acted upon by the HRA in one motion. Once the Consent Calendar has been approved, the individual items and recommended actions have also been approved. No further HRA action on these items is necessary. However, any HRA Commissioner may request that an item be removed from the Consent Calendar and placed on the regular agenda for HRA discussion and action. All items listed on the Consent Calendar are recommended for approval.**
  - A. Consideration of the approval of a resolution accepting monetary support solicited for the 2014 Richfield in Bloom award S.R. No. 35

Notes: \_\_\_\_\_



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6. Consideration of an amended contract with TMS Construction for the demolition of 7308 10th Avenue

Staff Report No. 36

Notes: \_\_\_\_\_  
\_\_\_\_\_  
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7. HRA discussion items

Notes: \_\_\_\_\_  
\_\_\_\_\_  
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8. Executive Director Report

Notes: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

9. Claims and Payroll

Adjournment

**Auxiliary aids for individuals with disabilities are available upon request. Requests must be made at least 96 hours in advance to the City Clerk at 612-861-9738.**



**CITY OF RICHFIELD, MINNESOTA**  
Office of City Manager

October 16, 2014

Council Memorandum No. 96

The Honorable Mayor  
And  
Members of the City Council

HRA Memorandum No. 41  
Housing and Redevelopment  
Authority Commissioners  
City of Richfield

Subject: 7600 Pillsbury/Pleasant Development Proposal  
(Worksession Agenda Item No. 1)

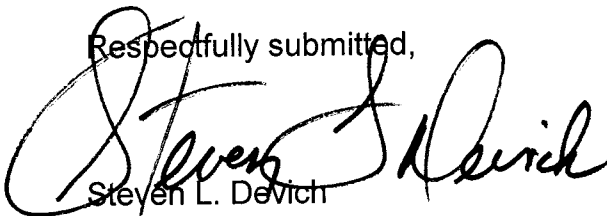
Council Members and Commissioners:

Developer/Broker Donald James (working in conjunction with several investors) would like to make a conceptual proposal for the 7600 block between Pillsbury and Pleasant Avenues (the former City Garage and Gleason's Mortuary site). Mr. James is proposing the development of approximately 40 - 48 townhomes on the site which would be owner occupied.

A joint City Council and Housing and Redevelopment Authority (HRA) Work Session has been scheduled for Monday, October 20 at 6:00 p.m. for Mr. James to present his proposal.

If the City Council and HRA are receptive to Mr. James' proposal, the next step would be to devise a process for moving forward. The processes for zoning approval and to consider any public subsidy (such as tax increment financing) are well defined. The fact that both the City and HRA own (and would have to sell) property for this project would result in some duplicative actions. To streamline the process, the City could sell its portion of the property to the HRA so that there would subsequently only be one entity dealing with Mr. James on such items as an option agreement and a development agreement. If the City Council were uncomfortable ceding this degree of control to the HRA, then the City Council could consider asking the HRA to serve as their proxy in negotiations subject to later City Council ratification of the agreements resulting from those negotiations.

Respectfully submitted,



Steven L. Devich  
City Manager

SLD:jcs  
Email: Department Directors  
Assistant City Manager





# HOUSING AND REDEVELOPMENT AUTHORITY MINUTES

Richfield, Minnesota

## Special Concurrent Housing and Redevelopment Authority and City Council Worksession

**September 15, 2014**

### CALL TO ORDER

The meeting was called to order by HRA Chair Sandahl at 6:00 p.m. in the Bartholomew Room.

*HRA Members Present:* Sue Sandahl, HRA Chair, Mary Supple; and Debbie Goettel.

*HRA Members Absent:* David Gepner and Doris Rubenstein.

*Council Members Present:* Debbie Goettel, Mayor; Pat Elliott; Sue Sandahl; Edwina Garcia; and Tom Fitzhenry.

*Staff Present:* John Stark, Acting City Manager/HRA Executive Director; Karen Barton, Assistant Community Development Director; and Nancy Gibbs, City Clerk.

Item #1	<b>PRESENTATION FROM MYRON ORFIELD, DIRECTOR OF THE INSTITUTE ON METROPOLITAN OPPORTUNITY, REGARDING CONCERNS ABOUT DISCRIMINATION IN HOUSING AND EDUCATION POLICY (COUNCIL MEMO NO. 89/HRA MEMO 34)</b>
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Myron Orfield, Director of the Institute on Metropolitan Opportunity, made a PowerPoint presentation regarding concerns about discrimination in housing and education policy.

The City Council directed staff to provide a sample resolution in support of Mr. Orfield's policy to be considered at a future City Council meeting.

### ADJOURNMENT

The meeting was adjourned by unanimous consent at 6:57 p.m.

Date Approved: October 20, 2014.

\_\_\_\_\_  
Suzanne M. Sandahl  
Chair

\_\_\_\_\_  
Nancy Gibbs  
City Clerk

\_\_\_\_\_  
John Stark  
Acting Executive Director





# HOUSING AND REDEVELOPMENT AUTHORITY MEETING MINUTES

Richfield, Minnesota

## Regular Meeting

September 15, 2014

### CALL TO ORDER

The meeting was called to order by Chair Sandahl at 7:00 p.m.

### ROLL CALL

*HRA Members Present:* Sue Sandahl, HRA Chair; David Gepner (arrived 7:14 p.m.); Mary Supple; and Debbie Goettel.

*HRA Members Absent:* Doris Rubenstein

*Staff Present:* John Stark, Acting Executive Director/Community Development Director; Karen Barton, Assistant Community Development Director; and Nancy Gibbs, City Clerk.

Item #1	<b>APPROVAL OF MINUTES OF THE (1) REGULAR HRA MEETING OF AUGUST 18, 2014</b>
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M/Goettel, S/Supple to approve the minutes.

Motion carried 3-0.

Item #2	<b>HRA APPROVAL OF AGENDA</b>
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M/Supple, S/Goettel to approve the agenda.

Motion carried 3-0.

Item #3	<b>CONSIDERATION OF THE RICHFIELD HRA TAX INCREMENT DISTRICT STATUS UPDATE S.R. NO. 33</b>
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Acting Executive Director Stark presented HRA Staff Report No. 33.

Rebecca Kurtz, Ehlers and Associates, presented a status update on the Richfield HRA Tax Increment Districts.

M/Goettel, S/Supple to approve the Richfield HRA Tax Increment District status update.

Motion carried 4-0.



<b>Item #4</b>	<b>PUBLIC REGARDING REGARDING APPROVAL OF THE HRA'S FIVE-YEAR PUBLIC HOUSING AUTHORITY PLAN FOR THE SECTION 8 HOUSING ASSISTANCE PROGRAM S.R. NO. 34</b>
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Assistant Community Development Director Barton presented HRA Staff Report No. 34.

M/Goettel, S/Sandahl to close the public hearing.

Motion carried 4-0.

M/Sandahl, S/Supple to approve the HRA's Five-Year Public Housing Authority Plan for the Section 8 Housing Assistance Program.

Motion carried 4-0.

<b>Item #5</b>	<b>HRA DISCUSSION ITEMS</b>
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HRA Commissioner Gepner announced Bike to the Market Day on September 20 and Open Streets at PennFest on September 21.

HRA Chair Sandahl announced the Band Shell fundraiser on October 5.

<b>Item #6</b>	<b>EXECUTIVE DIRECTOR REPORT</b>
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None.

<b>Item #7</b>	<b>CLAIMS AND PAYROLL</b>
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M/Gepner, S/Sandahl that the following claims and payrolls be approved:

<b>U.S. BANK</b>		<b>09/15/14</b>
Section 8 Checks: 125278-125398	\$	156,823.10
HRA Checks: 32073-32089	\$	57,629.46
TOTAL	\$	214,452.56

Motion carried 4-0.

## ADJOURNMENT

The meeting was adjourned by unanimous consent at 7:28 p.m.

Date Approved: October 20, 2014

\_\_\_\_\_  
Suzanne M. Sandahl  
HRA Chair

\_\_\_\_\_  
Nancy Gibbs  
City Clerk

\_\_\_\_\_  
John Stark  
Acting Executive Director



**HOUSING AND REDEVELOPMENT AUTHORITY**  
Office of Executive Director

October 16, 2014

HRA Memorandum No. 37  
Housing and Redevelopment  
Authority Commissioners  
City of Richfield

Subject: Housing Marketing Plan

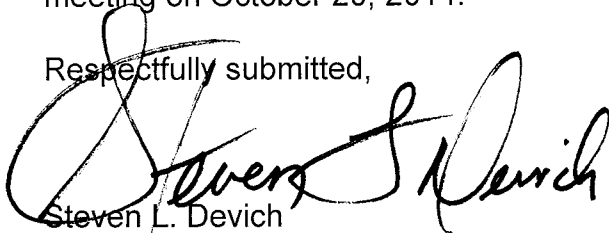
Dear Commissioners:

In August 2013, the Housing and Redevelopment Authority (HRA) authorized the hiring of Shadid MARKET(ing) Consulting, LLC to research and develop a marketing plan for the City's housing programs. Two focus groups were conducted as part of the research, the results of which provided the foundation for the marketing plan. The plan includes online, print, in-person and public relations tactics designed to increase awareness of HRA programs and increase participation in these programs.

This initiative was funded through the HRA's Marketing – New Initiatives Account, and approved for funding in both the 2013 and 2014 HRA budget. The total cost of the effort, when fully concluded will be \$14,090.

A copy of the final marketing plan and the insights and implications learned from the focus groups are attached. Staff will offer a brief presentation of the results at the HRA meeting on October 20, 2014.

Respectfully submitted,

A large, stylized handwritten signature in black ink, appearing to read "Steven L. Devich".

Steven L. Devich  
Executive Director

SLD:ju  
Attachment



# **Richfield Housing and Redevelopment Authority**

## **Marketing & Communications Planning**

### **Executive Summary**

**Background:** In 2013 the Housing and Redevelopment Authority (HRA) authorized the hiring of Shadid MARKET(ing)<sup>SM</sup> Consulting, LLC to research and develop a marketing plan for the City's housing programs. Two focus groups were conducted as part of the research, the results of which provided the foundation for the marketing plan. The plan includes online, print, in-person and public relations tactics designed to increase awareness of HRA programs and increase participation in these programs. The following is a synopsis of those efforts and the subsequent marketing recommendations.

**Business Need:** The Richfield HRA would like to increase the awareness of and participation in its housing programs, as well as understand the perceptions of current programs and identify needs for potential new programs.

#### **STEP 1: CONDUCT FOCUS GROUPS**

**Background:** Two, 2-hour Focus Groups were held in fall 2013. Made up of 8-10 homeowners, the groups were stratified by various characteristics (length of homeownership, age, location, income, remodeling experience). A \$50 gift card was provided as compensation.

What we wanted to learn from Focus Groups:

- Understand thoughts/pain-points/motivations around being a homeowner in Richfield
- Gain insights into homeowners thoughts, liking, and perceptions of the HRA's current housing programs & ideas for potential new programs
- Gain feedback on marketing methods for HRA programs & specific communications concepts to drive improved messaging.

#### **Main Findings:**

1. Residents view Richfield as a trusted small town oasis in the middle of a big city. The resulting benefits should be leveraged in messaging.
2. HRA programs are well-liked, but mostly unknown to homeowners.
3. Homeowners see broader community and neighborhood benefits of HRA programs & think they are needed.
4. HRA programs should be marketed more aggressively across a mix of media that are relevant to both younger & older homeowners.
5. Messaging should focus on key benefits and can be both informative as well as aspirational. It should be simplified so it is easier for homeowners to find out what they need and decide if they want to learn more.



## STEP 2: DEFINING THE HRA'S TARGET CUSTOMERS

**Background:** Defining the HRA's target customers helps the HRA to identify the homeowners' remodeling pain-points, and deepens its understanding of what will motivate homeowners to remodel their homes. Two Target Customer groups were identified:

1. Newer Homeowners (have been in their home for 3 years or less)
  - There is a lot to do after moving into a house (remodeling being only 1 of them)
  - They are new to homeownership and to remodeling, little to no expertise
2. Longer Term Homeowners (have owned a home, or homes, for more than 3 years)
  - They don't seek out specific information about city programs because they've lived here for awhile
3. Pain-points common to both sets of homeowners:
  - Coming up with funds to pay for project – finding and applying for loans
  - Choosing & hiring a contractor – getting bids
  - Making decisions on design, materials, finishes, colors, etc.
  - Defining the project scope
  - Budgeting the right amount of money
  - Knowing how to start a project

## STEP 3: IDENTIFY BENEFITS OF HRA HOUSING PROGRAMS

**Background:** The details of each HRA program, called the program Features, lead to Benefits, which, for marketing purposes, are typically broad & emotional. These benefits will be used to shape the HRA's communications efforts:

- Provide Resources<sup>1</sup>
- Save Money<sup>2</sup>
- Expert remodeling advice<sup>3</sup>
- Build confidence
- Comprehensive
- Help homeowners get projects done
- Make remodeling easier & more affordable
- Stronger, more desirable community

<sup>1, 2, 3</sup> Prioritized Customer Benefits to include in Messaging first, followed by other benefits

## STEP 4: CREATE MARKETING PLAN (OBJECTIVES → STRATEGIES → TACTICS)

**Background:** In order to develop a comprehensive marketing plan, specific objectives and strategies have to be established before the detailed tactics can be identified. Objectives, or goals, guide the



direction of the plan. Strategies help focus on how the objectives will be accomplished. Tactics are the specific tasks that will be completed to meet each strategy.

**Step 1: Objectives** - The objectives of the Housing Programs Marketing Plan are as follows:

- Max out participation in Transformation & Fix-Up Fund loan programs
- Increase or maintain participation levels in consultation programs:
  - Remodeling Advisor program to max of 50 (+13 from 37 in 2013)
  - Construction Consultation program to 70 (same as 2013)
  - Architectural Consultation program to max of 22 (+11 from 2013)
- Better understand homeowner utilization of programs
- Use new methods to market HRA programs

**Step 2: Strategies** - The strategies that will be used to accomplish the objectives are to:

- Increase awareness of HRA programs
- Create understanding of HRA programs & their benefits to Richfield homeowners
- Drive homeowners to action to participate in HRA program
- Develop improved tracking and analysis of program utilization across Richfield Homeowners
- Reinforce and build upon homeowners' perception of Richfield as a small town oasis.

**Step 3: Tactics** - The Tactics are specific tasks used to carry out the strategies. The tactics are prioritized and laid out in an annual calendar and provide a detailed action plan for staff.

## STEP 5: SCHEDULE AND IMPLEMENT TACTICS

### ONLINE/ELECTRONIC – INITIAL PRIORITIES

#### WEBSITE

- Gain placement on key city website home page areas ("How do I", Spotlight area, regular posts under "Latest News & Notices"?)
- Utilize Google Analytics to understand page visits & improve them over time
- Revise HRA housing program pages on City of Richfield website to better communicate programs overview & detailed info on each individual program
- Enable homeowners to sign up for HRA programs or email directly for more info from HRA web pages

#### UTILIZE SOCIAL MEDIA

- Create schedule for year for website & social media activity and update regularly
- Use links from city Facebook page to drive visitors to HRA program web pages

#### IMPROVE TRACKING



- Define program participation geographically on a Richfield map
  - Revisit Macalester mapping study
- Develop & implement demographics & other survey questions as part of program applications

#### ONLINE & PRINT – INITIAL PRIORITIES

- Develop new 1-2 page introductory flyer (to be used at Municipal Center counter, posted on HRA web pages & social media pages for download, and handed out at community display events)
- Develop welcome post card to send to new homeowners (drive readers to website & Facebook page)
- Develop at least 3 homeowner case studies showcasing use of HRA programs (post on website, Facebook page, & Pinterest)
- Develop Frequently Asked Questions & answers for use on website, social media, Municipal Center services counter, & events

#### PRINT ONLY – INITIAL PRIORITIES

- Include utility bill inserts 1-2 times/year & vary messaging between awareness & understanding (drive to website & social media pages)
- Consider developing a mailer, targeted by zip code, to be sent to homeowners (drive to website & Facebook page)
- Reinstitute the use of yard signs for homes using programs and vacant Richfield Rediscovered lots
- Incorporate “small town oasis” benefits into all print only communications

#### IN-PERSON – INITIAL PRIORITIES

- Identify events at which to display HRA programs
- Incorporate “small town oasis in the big city” into HRA housing programs presentation to be given at public events

#### PUBLIC RELATIONS – INITIAL PRIORITIES

- Gain regular placements in Richfield Patch & Sun Current to promote programs & announce new programs
- Gain placement in The Patch & the Sun Current with articles on specific homeowners’ successes (same as case studies) with an HRA program



**HOUSING AND REDEVELOPMENT AUTHORITY**  
Office of Executive Director

October 16, 2014

HRA Memorandum No. 40  
Housing and Redevelopment  
Authority Commissioners  
City of Richfield

Subject: 30-Year Anniversary of the Richfield Deferred Loan

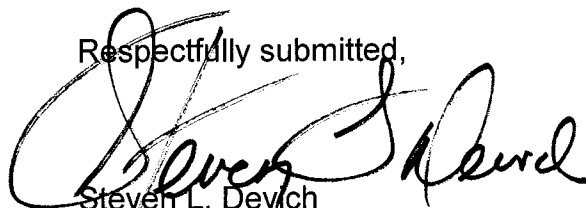
Dear Commissioners:

In 1984 the Housing and Redevelopment Authority (HRA) began operating the Richfield Deferred Loan Program using federal Community Development Block Grant (CDBG) funds to offer no-interest, no-payment loans to low-income homeowners seeking to make repairs and improvements to their homes.

2014 marks the 30th year serving residents through this program. As the first loans reach their 30-year maturity, it is fitting to recognize the Program's accomplishments and celebrate its success helping homeowners and maintaining the community's housing stock.

The program has provided 382 loans, serving 342 households over the past 30 years. Attached is an overview of the program since inception, including stories from a number of families served.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Steven L. Devich", is written over the typed name and title.

Steven L. Devich  
Executive Director

SLD:ju  
Attachment



# Richfield Deferred Loan Program: 1984-2014

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## *30 Years of helping Richfield homeowners and homes*

### **Program Beginnings**

- 1974-1983 – HRA provides home improvement grants to low-income homeowners. Richfield homeowners have access to MHFA deferred loans.
- Declining federal and state resources leads HRA to develop a program where funds can be recaptured and reinvested in the program.
- 1983 – HRA approves guidelines for Richfield Deferred Loan Program using federal Community Development Block Grant (CDBG) funds.
- 1984 – First Deferred Loans issued.

### **Program Achievements**

- 342 households served with 382 loans
- \$4.09 million loaned
- 225 loans (59%) repaid
- \$1.79 million recycled and reinvested in the Program
- 15 loans lost to foreclosure (\$208,000)
- 3 loans fully forgiven and 5 loans partially forgiven by HRA action (\$66,000)
- 5 loans will reach full maturity in 2014 (\$25,000)
- 138 loans remain in the HRA loan portfolio (\$2.017 million)

### **Program Components**

- No payments
- Repaid upon sale of home or forgiven after 30 years
- Maximum loan of \$30,000
- Addresses health, safety and property maintenance items
  - E.g., roofs, gutters, siding, electrical and plumbing repairs, doors and windows, gutters, furnaces, water heaters, flooring, steps and railings
- Lead-based paint abated using Hennepin County grant funds
- Emergency loans can replace red-tagged furnaces, make storm damage-related repairs, and fix sewer back-ups.
- No interest for households earning less than 50% of the Twin Cities Area Median Income (TCAMI) (e.g., \$41,450 for a family of four)
- 3% interest for 10 years for households earning between 50 and 80% of the TCAMI (e.g., between \$41,450 and \$63,900 for a family of four)
- Loans administered by Hennepin County staff (since 2006).

### **Program Benefits**

- Homeowners with limited incomes are able to make needed repairs to their homes.
- The City's housing stock is maintained for the benefit of the homeowner, the neighborhood, and future generations.



# Richfield Deferred Loan Program: 1984-2014

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## *30 Years of helping Richfield homeowners and homes*

The Deferred Loan Program has helped many **families**:

- The working family who struggled to make ends meet. The loan allowed them to replace windows, siding and insulation to maintain their home and reduce energy costs.
- The foster-mother, caring for high-needs children in transition to permanent homes. She needed assistance completing basic maintenance and improvements to her home. The loan allowed her to shelter the children in a warm and safe environment.

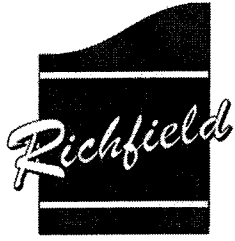
The Deferred Loan Program has helped many **elderly** people:

- The woman, who at 78 years old, was still working part-time. She lived off of her deceased husband's pension and her own retirement savings, but needed the income to cover the cost of her prescription medications and day-to-day living expenses. The loan allowed her to remain in her home, and out of debt.
- The single older woman, who, along with her disabled adult daughter, needed emergency help in removing a tree which fell across her driveway (along with her neighbor's driveway as well) during a storm. Without the funds to pay for removal, she was without any other options. The loan assisted her with removing the tree, and also took care of other outstanding maintenance items.

The Deferred Loan Program has helped **disabled** homeowners:

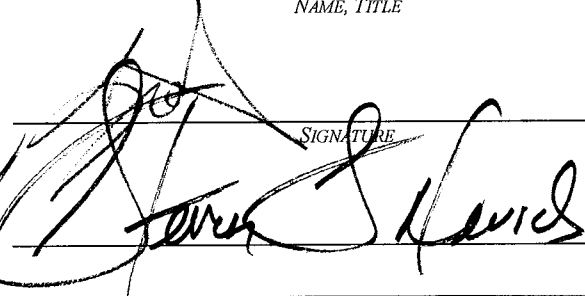
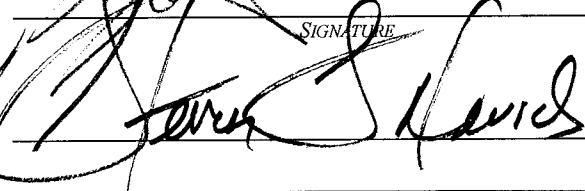
- A middle-aged woman who suffered from Multiple Sclerosis which was progressing rapidly. She needed to make accessibility improvements to her home in order to remain living there. The loan allowed her to remodel her bathroom, and reconfigure her home's rear entry to accommodate her walker and future wheelchair.
- The man whose mental disability severely limited his income. The loan allowed him to make needed repairs to his home, enabling him to remain in his home.





## STAFF REPORT

### HOUSING AND REDEVELOPMENT AUTHORITY MEETING OCTOBER 20, 2014

REPORT PREPARED BY:	JULIE URBAN/KATE AITCHISON, HOUSING SPECIALIST <small>NAME, TITLE</small>
REPORT PRESENTER:	KAREN BARTON, ASSISTANT COMMUNITY DEVELOPMENT DIRECTOR <small>NAME, TITLE</small>
DEPARTMENT DIRECTOR REVIEW:	<input checked="" type="checkbox"/>  <small>SIGNATURE</small>
REVIEWED BY EXECUTIVE DIRECTOR:	<input checked="" type="checkbox"/> 

#### ITEM FOR HRA CONSIDERATION:

Consideration of a resolution accepting contributions for the 2014 Richfield in Bloom Award.

#### I. RECOMMENDED ACTION:

**By Motion: Approve a resolution allowing the acceptance of monetary support solicited for the 2014 Richfield in Bloom Award.**

#### II. EXECUTIVE SUMMARY

The Community Development Department has solicited donations to be used as prizes for the 2014 Richfield in Bloom Award. Two local businesses provided funds and gift certificates for the 2014 awards. The Richfield/Bloomington Credit Union (RBCU) donated \$150.00 for gift cards for all ten semi-finalists and the People's Choice Award winner. Wagner's Garden Center also contributed additional \$25.00 gift cards to each of the top three winners.

State law requires the Housing & Redevelopment Authority (HRA) to receive the funds by resolution.



### III. BASIS OF RECOMMENDATION

#### A. BACKGROUND

- For 16 years the Community Development Department has recognized homeowners who beautify their neighborhood with exceptional gardens and landscaping.
- Every year the Department solicits donations from local businesses to offer as prizes to the winners.

#### B. POLICY

- The Administrative Services Department issued a memo on November 9, 2004 requiring that all grants and restricted donations to departments be received by resolution and passed in accordance with Minnesota Statute 465.03.

#### C. CRITICAL TIMING ISSUES

- Donations have been received and were used for the program as indicated by the donors.

#### D. FINANCIAL

- The financial donations have been deposited in the Fund supporting the designated program.
- RBCU donated \$150.00 to acquire gift cards for semi-finalists, which staff purchased from Wagner's Garden Center.
- Wagners Garden Center donated three \$25 gift cards (\$75 total).

#### E. LEGAL

- Minnesota Statute 465.03 requires that every acceptance of a grant or devise of real or personal property on terms prescribed by the donor be made by resolution.

### IV. ALTERNATIVE RECOMMENDATION(S)

- Return the donations to the donors.

### V. ATTACHMENTS

- Resolution approving the acceptance of donations.
- List of donations and specified areas for the donation to be applied.

### VI. PRINCIPAL PARTIES EXPECTED AT MEETING

- None



**RESOLUTION NO.**

**RESOLUTION AUTHORIZING RICHFIELD COMMUNITY DEVELOPMENT  
DEPARTMENT TO ACCEPT DONATIONS FROM THE LISTED BUSINESSES FOR  
DESIGNATED USES**

**WHEREAS**, the Community Development Department, received checks and gift cards from the following for the 2014 Richfield in Bloom Awards;

Richfield Bloomington Credit Union  
Wagner's Greenhouses

and,

**WHEREAS**, Minnesota Statute requires every acceptance of a grant or devise of real or personal property on terms prescribed by the donor be made by resolution; and,

**WHEREAS**, the donated funds will be used towards the designated events sponsored by Richfield Community Development Department.

**NOW, THEREFORE, BE IT RESOLVED** that the Director of Community Development will accept and distribute the donations as specified.

Adopted by the Housing and Redevelopment Authority in and for the City of Richfield, Minnesota this 20th day of October, 2014.

\_\_\_\_\_  
Suzanne M. Sandahl, Chairperson

**ATTEST:**

\_\_\_\_\_  
Doris Rubenstein, Secretary



**Checks or Gift Cards Received  
2014**

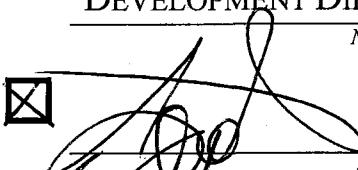
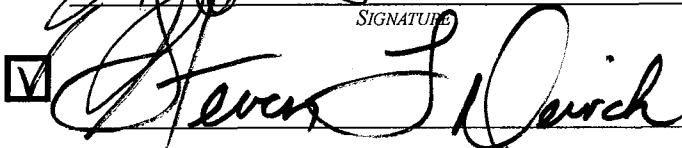
<b>Business Name</b>	<b>Amount of Donation</b>	<b>Designation</b>
Richfield/Bloomington Credit Union (RBCU)	\$150.00	Richfield in Bloom Award
Wagner's Greenhouses	\$75.00 (three \$25 gift cards)	Richfield in Bloom Award
<b>Total:</b>	<b>\$225.00</b>	





# **STAFF REPORT**

## **HOUSING AND REDEVELOPMENT AUTHORITY MEETING OCTOBER 20, 2014**

REPORT PREPARED BY:	JULIE URBAN/KATE AITCHISON, HOUSING SPECIALISTS <small>NAME, TITLE</small>
REPORT PRESENTER:	KAREN BARTON, ASSISTANT COMMUNITY DEVELOPMENT DIRECTOR <small>NAME, TITLE</small>
DEPARTMENT DIRECTOR REVIEW:	<input checked="" type="checkbox"/>  <small>SIGNATURE</small>
REVIEWED BY EXECUTIVE DIRECTOR:	<input checked="" type="checkbox"/> 

**ITEM FOR HRA CONSIDERATION:**  
Consideration of an amended contract with TMS Construction for demolition at 7308 10th Avenue.

**I. RECOMMENDED ACTION:**  
**By Motion: Approve an amended contract with TMS Construction for demolition at 7308 10th Avenue.**

**II. EXECUTIVE SUMMARY**

In August 2014 the Housing and Redevelopment Authority (HRA) acquired the property at 7308 10th Avenue. The HRA plans to demolish the existing substandard structure and make the lot available for new home construction through the Richfield Rediscovered Program. The house is currently vacant and has been remediated. To reduce potential risks, holding costs, and negative impacts to the surrounding neighborhood, the house should be demolished as soon as possible.

The HRA approved a contract with TMS Construction on August 18, 2014, for the demolition of 7029 Nicollet Avenue. Staff proposes to amend the contract with TMS to also include the demolition of 7308 10th Avenue for an additional \$9,100.



Staff has had difficulty getting reasonable bids from qualified demolition companies for small demolition projects. Based on preliminary conversations with demolition companies, adding the demolition of 7308 10th Avenue to the original contract with TMS Construction is the most cost-effective way to get the house demolished in 2014.

### III. BASIS OF RECOMMENDATION

#### A. BACKGROUND

- The property was acquired by the HRA in August of 2014. It was qualified by a substandard inspection.
- The 75-foot property will be marketed for sale through the Richfield Rediscovered program.
- In August 2014 the HRA awarded a contract to TMS Construction for the demolition of 7029 Nicollet Avenue. TMS has agreed to add 7308 10th Avenue to the contract for an additional \$9,100.
- TMS Construction received a positive recommendation from Richfield's Public Works Department based on work completed on the Richfield Parkway project.
- The house will be made available to the Fire Department for training. Demolition should begin shortly after the training exercises are complete.
- The property will be offered for sale through the Richfield Rediscovered program once demolition is complete.

#### B. POLICY

- The HRA has demonstrated success through its Richfield Rediscovered Program in removing obsolete housing in poor condition and developing new housing that meets the needs of today's households.
- Historically, the HRA has demolished existing homes prior to selling the properties.

#### C. CRITICAL TIMING ISSUES

- The house is currently vacant. To reduce potential risks, holding costs, and negative impacts to the surrounding neighborhood, the house should be demolished as soon as possible.
- If the contract is approved, demolition will be completed by December 15, 2014.
- Because demolition is an eligible acquisition expense of the Housing and Redevelopment Fund, it is preferred that the house be demolished in the same year it is acquired.

#### D. FINANCIAL

- TMS Construction submitted a reasonable bid of \$9,100.
- There are funds available for the demolition in the Housing and Redevelopment Fund.



E. LEGAL

- Legal counsel drafted, and recently updated the Contract for Demolition.

IV. ALTERNATIVE RECOMMENDATION(S)

- Do not approve the Contract for Demolition.
- Direct staff to request additional quotes.

V. ATTACHMENTS

- Amendment to Contract for Demolition
- Photo of 7308 10th Avenue

VI. PRINCIPAL PARTIES EXPECTED AT MEETING

- N/A



## **AMENDMENT TO CONTRACT FOR DEMOLITION**

**THIS AMENDMENT TO CONTRACT FOR DEMOLITION** is made and entered into this \_\_\_\_ day of October, 2014 (the "Amendment"), by and between **TMS Construction** (the "Contractor") and the **Housing and Redevelopment Authority in and for the City of Richfield, State of Minnesota** (the "HRA") (collectively, the "Parties"), and amends the Contract for Demolition, dated August 18, 2014 (the "Original Contract"), between the Contractor and the HRA. .

### **RECITALS**

WHEREAS, the HRA and the Contractor wish to amend the Original Contract to include an additional building to be demolished;

WHEREAS, the Board of the HRA has approved this Amendment;

**NOW, THEREFORE**, in consideration of the mutual obligations of the Parties hereto, each of them does hereby covenant and agree as follows:

**Section 1.** The definition of "Property" under Section 1 (Definitions) of the Original Contract is amended to include 7308 10<sup>th</sup> Avenue.

**Section 2.** Section 3.1 (Contract Price) is deleted and replaced with the following:

3.1. Upon compliance with all the requirements of this Contract related to the demolition of the building located on 7029 Nicollet Avenue, Contractor shall be paid the Contract Price of \$10,900.00 pursuant to Section 28 of this Contract. Upon compliance with all the requirements of this Contract related to the demolition of the building located on 7308 10<sup>th</sup> Avenue, Contractor shall be paid the Contract Price of \$9,100.00 pursuant to Section 28 of this Contract.

**Section 3.** Section 4.1 (Project Schedule) is deleted and replaced with the following:

4.1. Contractor shall commence the Work related to 7029 Nicollet Avenue on or after Contract execution and Substantial Completion of the Work shall be achieved no later than seventy-five (75) days thereafter. If the Work is not substantially completed by October 31, 2014, damages of \$100.00 will be deducted from the Contract Price for each day the requirements of this contract have not been fulfilled. Contractor shall commence the Work related to 7308 10<sup>th</sup> Avenue on or after Contract execution and Substantial Completion of the Work shall be achieved no later than seventy-five (75) days thereafter. If the Work is not substantially completed by December 15, 2014, damages of \$100.00 will be deducted from the Contract Price for each day the requirements of this contract have not been fulfilled.



**Section 4.** Except as specifically amended by this Amendment, the Original Contract is hereby ratified and confirmed, and remains in full force and effect.

IN WITNESS WHEREOF, the parties have caused this Contract to be duly executed in their names and behalves and on or as of the date and year first above written.

THE HOUSING AND REDEVELOPMENT  
AUTHORITY IN AND FOR THE CITY OF  
RICHFIELD

By \_\_\_\_\_  
Suzanne M. Sandahl  
Its Chair

By \_\_\_\_\_  
Steven L. Devich  
Its Executive Director

TMS CONSTRUCTION

By \_\_\_\_\_  
Its \_\_\_\_\_

By \_\_\_\_\_  
Its \_\_\_\_\_

THIS INSTRUMENT DRAFTED BY:

Kennedy & Graven, Chartered (JAE)  
470 U.S. Bank Plaza  
200 South Sixth Street  
Minneapolis, MN 55402  
(612) 337-9300



**7308 10<sup>th</sup> Avenue South**

